

LISTING OF CLAIMS:

This listing of claims will replace all prior versions, and listings, of claims in the application.

Please amend add new claims 8-11 to the application claims and amend claims 4, 5 and 7 as follows.

1-3. (canceled)

4. (Currently amended) A method of manufacturing ~~water~~ an emulsion of water and fuel using a series of batch processing steps comprising:

- (a) charging a fuel and an additive into a mixing tank ~~containing substantially no water emulsion fuel~~;
- (b) agitating the fuel and the additive charged into the mixing tank;
- (c) charging water into the mixing tank and forming a mixture solution of the fuel, additive and water;
- (d) reducing cluster sizes of the fuel and water in the mixture solution by pumping the mixture solution through a processing means and returning the mixture solution into the mixing tank;
- (e) separating the mixture solution in the mixing tank and forming a water rich portion in thereof of the mixture solution at a bottom portion of a mixing tank; and

(f) emulsifying the mixture solution from the bottom portion of the mixing tank at first through the processing means and returning the mixture solution to the mixing tank, thereby forming the emulsion of water and fuel.

5. (Currently amended) The method of manufacturing ~~water~~ the emulsion of water and fuel according to claim 4, wherein the water rich portion of the mixture solution is firstly emulsified in step (f) by pumping through the processing means prior to another portion of the mixture solution being emulsified in step (f) by pumping through the processing means.

6. (Currently amended) The method of manufacturing ~~water~~ the emulsion of water and fuel according to claim 4, wherein agitating of the fuel, additive and water in the mixing tank is simultaneously performed with the reducing cluster sizes of the fuel and water.

7. (Currently amended) A method of manufacturing ~~water~~ an emulsion of water and fuel using a series of batch processing steps comprising:

- (a) charging a fuel and an additive into a mixing tank containing ~~water~~ the emulsion of water and fuel having a first volume;
- (b) agitating the water emulsion of water and fuel having a first volume together with the fuel and additive and forming a first mixture solution;
- (c) charging water into the mixing tank and forming a second mixture solution; and
- (d) emulsifying the second mixture solution by pumping the second mixture solution from the mixing tank through a processing means, which reduces cluster sizes of the fuel and the

water in the mixture solution, and returning the ~~mixture solution~~ resulting emulsion of water and fuel having a second volume larger than the first volume to the mixing tank.

8. (New) A method of manufacturing an emulsion of water and fuel using a series of batch processing steps comprising:

- (a) charging a fuel and an additive into a mixing tank;
- (b) agitating the fuel and the additive charged into the mixing tank and forming a mixed solution of the fuel and additive;
- (c) charging and mixing water into the mixing tank and forming a first mixture solution of the fuel, additive and water;
- (d) reducing cluster sizes of the fuel and water in the first mixture solution by pumping the firstly mixed solution through a processing means and returning to the mixing tank, thereby forming a second mixture solution of the fuel, additive and water;
- (e) separating the second mixture solution in the mixing tank and forming a water rich portion in the second mixture solution at a bottom portion of a mixing tank; and
- (f) emulsifying the separated second mixture solution from the bottom portion of the mixing tank at first through the processing means, thereby forming the emulsion of water and fuel.

9. (New) The method of manufacturing water emulsion fuel according to claim 8, wherein the water rich portion of the second mixture solution is firstly emulsified in step (f) by pumping through the processing means prior to another portion of the second mixture solution being emulsified in step (f) by pumping through the processing means.

10. (New) The method of manufacturing water emulsion fuel according to claim 8, wherein agitating of the fuel, additive and water in the mixing tank is simultaneously performed with the reducing cluster sizes of the fuel and water.